

Charitable Gaming

Charitable gaming includes licensed bingo and associated games such as pull-tabs, merchandise, coin boards and other “free” no charge promotional events as noted in the enforcement section of the Organizational Structure section on page 16. The operation of these games is restricted to qualified, licensed, religious, charitable, fraternal, veteran, and service organizations.

Charity game operators submit reports of their receipts on a quarterly basis to the Commission where the reports are audited and compiled by bingo staff members. Almost 79% of the receipts are returned to players as prizes. The remaining percentage, minus game related expenses and taxes, must be used for charitable purposes, such as donations to veterans’ homes, scholarship funds, food banks, programs for the homeless, programs for children, and many charities related to health care.

Gaming Commission personnel conducted seven bingo training seminars during FY 2001 throughout the state with over 250 persons in attendance. These seminars resulted in a number of proposals from charitable game operators, which were subsequently reviewed by Commission staff to determine compliance with legal mandates and overall feasibility. A need to revise several rules was identified, and the Commission has already begun to address these issues.

The Commission recently approved a regulation that allows charitable game operators to use Electronic Bingo Card Monitoring Devices without printed bingo paper. These devices have been verified by an independent testing laboratory to ensure that bingo taxes can be properly reported and paid by suppliers. Certification of electronic devices could save charities considerable money, thus increasing the funds available for charitable purposes.

A new progressive game rule became effective May 31, 2000, which permits game operators to run two progressive games, provided game operators incrementally increase the amount of the prize and the odds to win.

During FY 2001, the bingo license unit processed and issued 1,314 new or renewal applications as detailed on page 30. In order to qualify for a bingo license, a charitable, fraternal, religious, service, or veteran organization must have an exemption as provided in section 501 (c), (3), (4), (5), (7), (8), (10), (19), or 501 (d) of the Internal Revenue Code. Organizations must have been in existence in this state for at least five years preceding filing of applications, and have had during that period at least 20 bona fide members. Proceeds must be used for lawful, charitable, religious or philanthropic purposes.

TYPE OF LICENSE	FY 99	FY 00	FY 01
Regular Bingo	659	608	576
Special Bingo (valid for one event of 1 to 7 calendar days)	370	386	368
Abbreviated Pull-Tab (valid for 1 day or 24 hours)	146	135	163
Supplier	5	6	6
Manufacturer	6	10	9
Hall Provider	148	170	192

The audit and enforcement sections emphasized charity game operator audit and inspections during FY 2001, completing 65 audits and 22 inspections. Audits included bingo product manufacturers, suppliers, and charity game operators. Comprehensive game inspection procedures have been implemented to ensure compliance with Missouri Revised Statutes and the Code of State Regulations. Charity game inspections are conducted randomly or as a direct result of complaints from players or member charities.

Eighteen convicted felons were identified and excluded from participating in the management or operation of charitable games in Missouri. This brought the total of felons excluded for the past six calendar years to 428 out of 57,362 criminal history checks conducted. During FY 2001, 27 illegal gambling devices containing approximately \$14,000 in cash were seized from licensed organizations. In an unusual case, enforcement personnel seized and destroyed more than 26 tons of contraband bingo paper and pull-tabs. Twelve organizations and four individuals were presented to the Commission for discipline during FY 2001.